

The tourism industry is the driving force behind employment growth in the borough, although the growth is scattered among several different economic sectors. Hotels, restaurants, transport services, retail shops, gas stations, and guide services are among the many services available for people coming to visit the national park. To illustrate the growth, in 1980 the National Park Service counted just 133 hotel rooms near the park's entrance. By 2000, there were 1,800 rooms not including 339 cabins and 569 RV spaces (excluding campsites and RV spots in the park). Half of the top 10 employers in the borough in 2000 were in the tourism industry.

The Usibelli Coal Mine is the largest employer in the borough that is not associated with the federal government or related industries. Founded in 1943, Usibelli became the state's single producer of coal in 1981. In recent years, the mine produced an average 1.5 million tons of coal per year, a rate that fluctuated little from 1985 to early 2002. Half of that is consumed by local electric generation facilities from Healy north to Fairbanks. However, the other half was exported to South Korea. The Korean contract was terminated in 2002, and the mine has since laid off a third of its employees. The Healy Clean Coal Project, a new 50-megawatt power plant constructed between 1995 and 1997 by the Alaska Industrial Development and Export Authority with the assistance of federal grants, would consume 300,000 tons of coal annually if it were operating. However, after its initial test period, the Golden Valley Electrical Association refused to take over operation of the facility per its contract with AIDEA, claiming the experimental clean coal technology proved too expensive and unreliable during its test period. The plant has been idle since completion of the test period awaiting potential modifications, a full retrofit to conventional coal-burning technology, or another operator.

Employment in the Denali Borough is strongly seasonal because of the importance of the tourism industry in the borough's economy compared to the other industries. By conservative estimates, the population of the area at least triples during the summer season, which is roughly mid-May to mid-September (Fried and Windisch-Cole 2001). The fluctuation in the jobless rate is one indicator of this seasonality; in 2000 the rate peaked at 17.7% in January and then declined to just 3.1% in July. Even more telling is workforce residency. In 1999, 39 percent of the private sector wage and salary workforce in the borough were nonresidents of the state. Another 42 percent resided somewhere else in Alaska. That means that during the summer, non-resident private-sector workers outnumber the local workers 4 to 1 (Fried and Windisch-Cole 2001). One entire community in the borough – the Nenana Canyon business area just outside the park boundary along the Parks Highway – is inhabited by thousands of employees and visitors any given night of the summer, but is closed up entirely from October through April.

Despite the seasonality of tourism, its impact is felt year-round in two ways. First, many local residents work in tourism during the summer, but spend their earnings throughout the year. Second, the borough government depends on bed taxes for approximately 86% of its revenue, much of which is used to fund the borough school district (Fried and Windisch-Cole 2001). For the latter reason, communities throughout the borough are strongly concerned about national park visitation even if they do not benefit directly from tourism and other park-related employment.

**Table 3-8: Top Employers in the Denali Borough in 2000**

| Rank | Employer  | Employment |
|------|---|------------|
| 1    | ARAMARK Leisure Services                                | 285        |
| 2    | Arctec Services (contractor to Clear Air Force Station) | 208        |
| 3    | National Park Service                                   | 133        |
| 4    | Alaska Hotel Properties                                 | 132        |
| 5    | Usibelli Coal Mine                                      | 119        |
| 6    | Denali Borough School District                          | 83         |
| 7    | U.S. Department of Defense                              | 56         |
| 8    | Golden Valley Electrical Association                    | 44         |
| 9    | Royal Highway Tours                                     | 32         |
| 10   | Denali Bluffs Hotel                                     | 26         |
| 10   | Denali National Park Wilderness Centers                 | 26         |

Source: Fried and Windisch-Cole 2001